

UTAH OIL AND GAS CONSERVATION COMMISSION

REMARKS: WELL LOG ELECTRIC LOGS FILE **X** WATER SANDS LOCATION INSPECTED SUB. REPORT/abd.DATE FILED **2-20-85**

LAND: FEE & PATENTED

STATE LEASE NO.

PUBLIC LEASE NO.

U-54192

INDIAN

DRILLING APPROVED: **2-26-85 - GAS (Exception Location)**

SPUDDED IN:

COMPLETED:

PUT TO PRODUCING:

INITIAL PRODUCTION:

GRAVITY A.P.I.

GOR:

PRODUCING ZONES:

TOTAL DEPTH:

WELL ELEVATION:

DATE ABANDONED:

FIELD:

ROCK HOUSE

UNIT:

COUNTY:

UINTAH

WELL NO.

WELLS FEDERAL #3-1**API #43-047-31602**

LOCATION

1312' FSL FT. FROM (N) (S) LINE. 2050' FEL

FT. FROM (E) (W) LINE

SW SE

1/4 - 1/4 SEC.

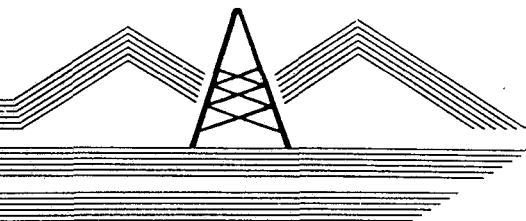
3

TWP.	RGE.	SEC.	OPERATOR	TWP.	RGE.	SEC.	OPERATOR
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11S**23E****3****CRESTONE ENERGY CORP.**

CRESTONE ENERGY CORPORATION

718 17TH STREET SUITE 520 DENVER, COLORADO
(303) 534-9090 80202



February 15, 1985

RECEIVED

Bureau of Land Management
Oil and Gas Division
170 S. 500 E.
Vernal, Utah 84078

FEB 20 1985

**DIVISION OF OIL
GAS & MINING** RE: Application to Drill

Gentlemen:

Enclosed please find four copies each of the Application to Drill for the following tests:

Wells Federal #3-1
SW SE Sec. 3, T. 11 S, R. 23 E
Uintah County, Utah
Lease #U-54192

Bonding is currently being processed and water use permits are being submitted.

Copies of this application are being sent to the State of Utah, Oil, Gas and Mining Division.

Please review at your earliest convenience. Direct comments or questions to:

David F. Banko
c/o Crestone Energy Corporation
718 17th Street, Suite 520
Denver, CO 80202
(303) 534-9090

Thank you for your consideration and cooperation.

Very truly yours,

CRESTONE ENERGY CORPORATION

A handwritten signature in dark ink, appearing to read "David F. Banko", written in a cursive style.

David F. Banko,
Petroleum Engineering Consultant

✓ cc: State of Utah Division of Oil, Gas and Mining
File

DFB/cyb

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE*
(Other instructions on
reverse side)

Form approved.
Budget Bureau No. 1004-0136
Expires August 31, 1985

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

PLUG BACK ☐

b. TYPE OF WELL

OIL
WELL ☐

GAS
WELL ☒

OTHER

SINGLE
ZONE ☐

MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

Crestone Energy Corporation

3. ADDRESS OF OPERATOR

718 17th Street, Suite 520, Denver, Colorado 80202

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*

At surface

2050' F.E.L. 1312' F.S.L. (SW-SE)

Section 3 T11S, R23E
At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

10 miles SW of Bonanza, Utah

10. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drig. unit line, if any)

1312' F.S.L.

16. NO. OF ACRES IN LEASE

320.00

17. NO. OF ACRES ASSIGNED
TO THIS WELL

320.00

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

None

19. PROPOSED DEPTH

6000'

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

5495' GR

22. APPROX. DATE WORK WILL START*

May 1, 1985

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	13 3/8"	54.5# K-55 STC	new 300'	To surface
12 1/4"	8 5/8" (if needed - see casing program in drilling program)			
7 7/8"	5 1/2"	17# K-55 STC	new 6000'	200 sxs.

(See Attached Drilling Program)

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING

DATE: 2/26/85

BY: John R. Bays

WELL SPACING: C-3 (2)

RECEIVED

FEB 20 1985

DIVISION OF OIL
GAS & MINING

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

David F. Banko

TITLE Petroleum Engineer

DATE 1/28/85

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

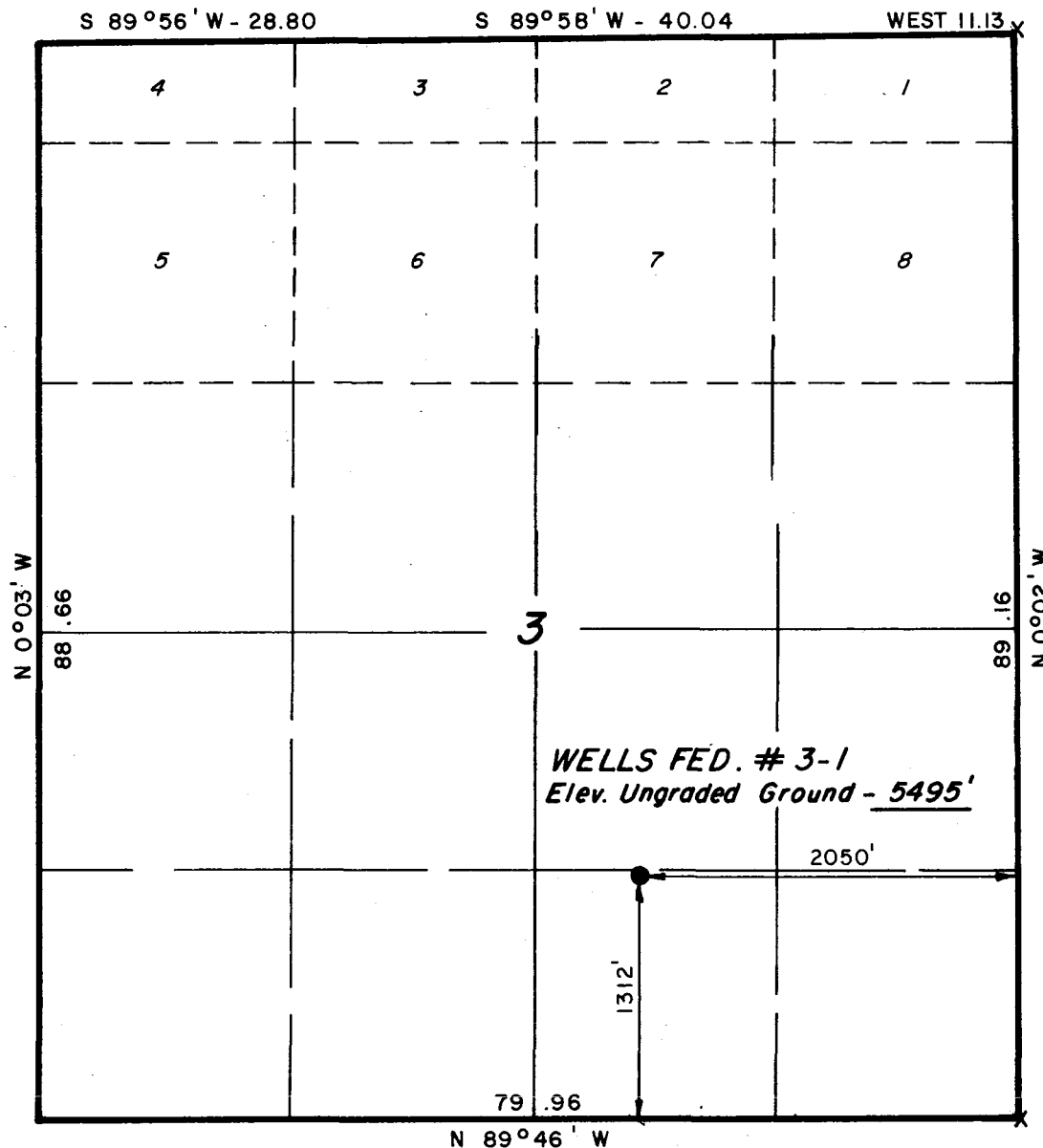
*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

T11S, R23E, S.L.B.&M.

PROJECT
CRESTONE ENERGY CORP.

Well location, **WELLS FED. #3-1**
located as shown in the SW 1/4SE1/4,
Section 3, T11S, R23E, S.L.B.&M.
Uintah County, Utah.



X = Section Corners Located



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM
FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY
SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE
BEST OF MY KNOWLEDGE AND BELIEF.

Nelson Jayaram
REGISTERED LAND SURVEYOR
REGISTRATION NO 2454
STATE OF UTAH

UINTAH ENGINEERING & LAND SURVEYING
P. O. BOX Q - 85 SOUTH - 200 EAST
VERNAL, UTAH - 84078

SCALE 1" = 1000'	DATE 11/28/84
PARTY DK RK DB JF GM RP	REFERENCES GLO PLAT
WEATHER Cold	FILE CRESTONE

CRESTONE ENERGY CORPORATION
Wells Federal #3-1
SW-SE Section 3 T11S, R23E
2050' F.E.L. - 1312' F.S.L.
Uintah County, Utah
G.R. 5495'
Federal Lease #U-54192

DRILLING PROGRAM

SURFACE FORMATION - Uintah

ESTIMATED FORMATION TOPS: (Water, oil, gas and/or other mineral bearing formations)

Uintah	Surface	Non marine sandstones, shales & siltstones
Green River	100'	Non marine sandstones, shales & siltstones, some water, oil and/or gas bearing
Wasatch	3150'	Sandstones and shales, some water, oil and/or gas bearing
Mesaverde	5000'	Sandstones and shales, some water, oil and/or gas bearing
TOTAL DEPTH	6000'	

CASING PROGRAM

Depth	Hole Dia.	Cas. Dia.	Casing Wt & Grd.	Cement
0-300'	17½"	13 3/8"	54.5#/ft K-55 STC new	To surface
0-6000'	7 7/8"	5 1/2"	17#/ft K-55 STC new	200 sxs

Note: If severe water flow or lost circulation is encountered during drilling of 7 7/8" hole, drilling will continue to below the problem zone, then 7 7/8" hole will be reamed out to 12½" and 8 5/8" casing will be set and cemented as follows:

0-bottom of problem zone	12½"	8 5/8"	24#/ft K-55 STC new	200 sxs
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PRESSURE CONTROL EQUIPMENT (See attached schematic diagram)

B.O.P.'s and choke manifold will be installed and pressure tested before drilling out under surface casing and then will be checked daily as to mechanical operating condition. Ram type preventors and related pressure control equipment will be pressure tested to rated working pressure of the stack assembly or to 70% of the minimum internal yield pressure of the casing. Annular type preventors will be tested to 50% of their rated working pressure. B.O.P.s will be pressure tested at least once every 30 days.

MUD PROGRAM

0-300'	Spud mud
300'-3000'	Treated water
3000'-6000'	Low solids non-dispersed
	M.W. - 8.8-9.2ppg Vis - 38-40 sec
	W.L. 10cc or less pH 9.5-10.5

Sufficient mud materials to maintain mud properties, control lost circulation and to contain "Kick" will be available at wellsite.

AUXILLARY EQUIPMENT

- A) Kelly cock
- B) Drill pipe float (except for lost circulation conditions)
- C) Mud system monitoring will be visual
- D) A sub with full opening valve will be kept on the rig floor to be stabbed into the drill pipe when kelly is not in use.

LOGGING, CORING, TESTING PROGRAM

- A) Logging: DIL - base surface casing to total depth
FDC-CNL-GR-CAL- total depth to 2000' above total depth,
other zones of interest if shows warrant.
- B) Coring: none anticipated
- C) Testing: Drill stem test(s) may be run on show(s) of interest

ABNORMAL CONDITIONS

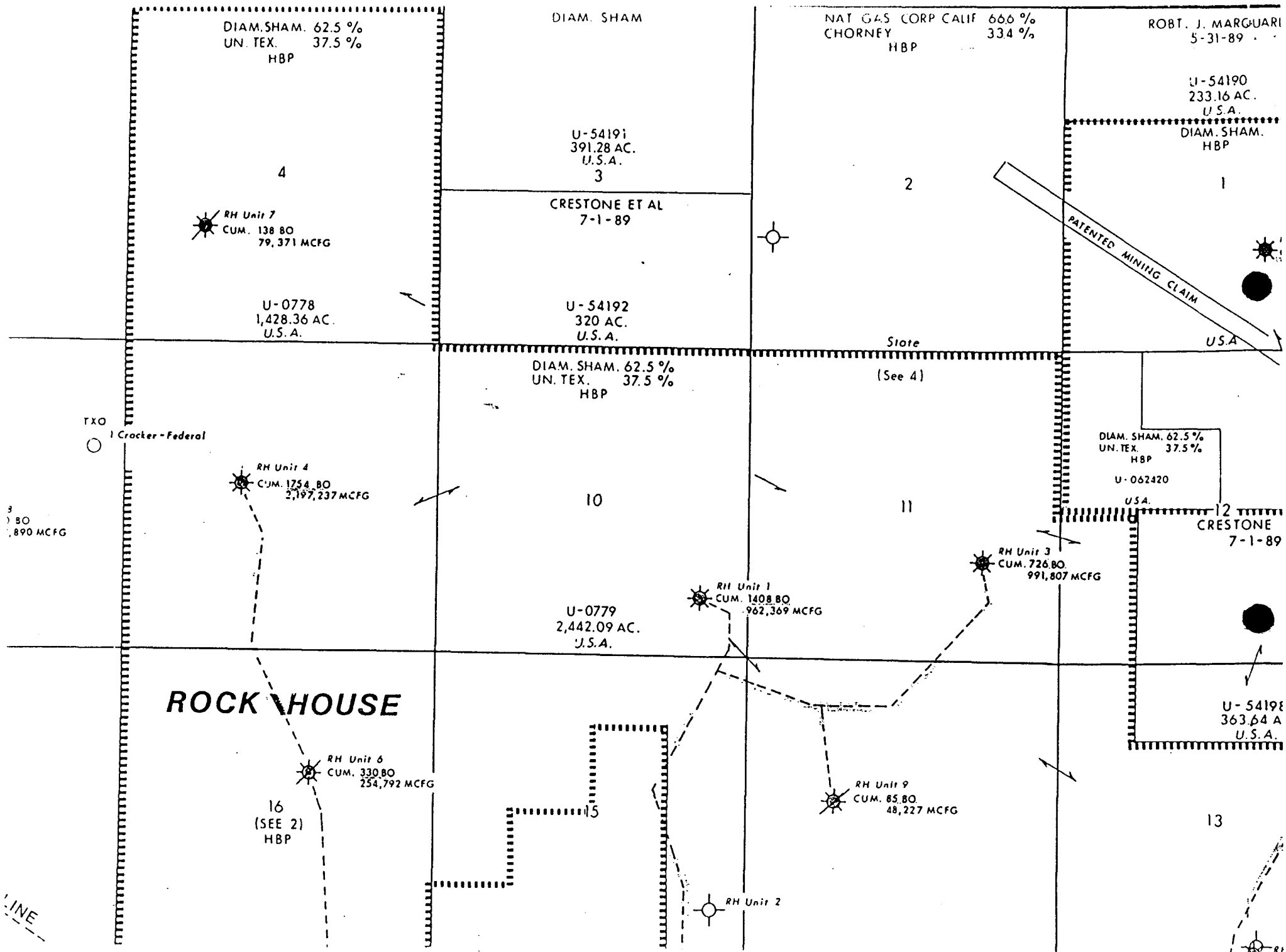
Pressure: none anticipated
Temperature: none anticipated
H₂S: none anticipated
Estimated bottom hole pressure: less than 2500 psi

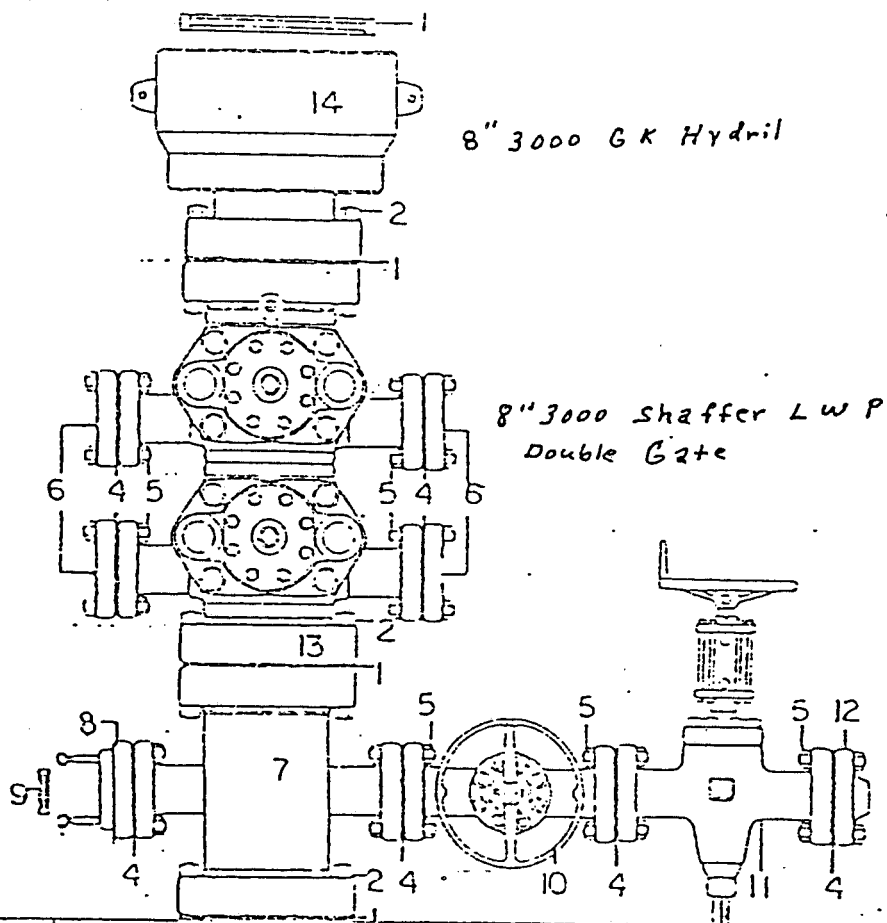
ANTICIPATE START DATE

Within 10-45 days of government approval

COMPLETION

Completion and stimulation procedure will be submitted by Sundry Notice after well evaluation.





WELLS FEDERAL #3-1

SURFACE USE AND OPERATIONS PLAN

WELL LOCATION AND INTRODUCTION - An on-site meeting was held on November 27, 1984. Attending were: BLM - Greg Darlington, Jack Hamilton and Frank Dudley; Archeological Environmental Research Corporation - F.R. Hauck; Uintah Engineering - Bob Kay; Crestone Energy Corporation - Dave Banko. Of several location alternatives presented, it was determined that this location was most favorable from a topographic, geologic and legal standpoint.

DIRECTIONS TO LOCATION - From Vernal, Utah travel southeast to Bonanza, then south on Hiway 45 4 miles, left on a dirt surfaced road 2.7 miles, then right 2.3 miles, right 4 miles to Watson Allotment sign, left 8 miles, right at a "T" $\frac{1}{2}$ mile, then left, bear right and follow main road 8 miles, then left $\frac{1}{2}$ mile to location.

1. EXISTING ROADS

The well is a development well.

Existing roads within 1 mile along with surface type, condition and load capacity are dirt surfaced, upgraded, minimally maintained to within $\frac{3}{4}$ mile of location (see attached map).

Plans for improvement and/or maintenance are to maintain in passable condition as necessary during drilling operations.

2. PLANNED ACCESS ROADS

Running surface width to be approximately 18 feet and total disturbed width to be under 35 feet.

Borrow ditches to be back-sloped at 3:1 or shallower to allow for snow to blow by and to allow for trucks to slip into ditch without upsetting.

Maximum grades are 6% for 1000 feet.

Drainage will consist of borrow ditches on both sides with no culverts.

Low water crossings to be built as needed. Commercially obtained gravel to be placed in bottoms, if necessary.

Surfacing Material

Road crown to be built with material from borrow ditches.

Topsoil will be buried in road crown.

Major road cuts and fills - side hill cuts on new access on location.

Fence cuts, gates and cattleguards will not be required.

3. LOCATION OF EXISTING WELLS

Within a mile radius.

Drilling - none
Abandoned - SW $\frac{1}{4}$, Sec. 2 T11S, R24E
Shut-in - none
Disposal - none
Producing - SW $\frac{1}{4}$, Sec. 4 T11S, R24E
SE $\frac{1}{4}$, Sec. 10 T11S, R23E

4. LOCATION OF EXISTING PRODUCING FACILITIES OPERATED BY CRESTONE ENERGY CORPORATION

There are none with a mile radius.

NEW PRODUCTION FACILITIES PROPOSED

Facilities to be constructed on location are as shown on production plat.

Dimension of proposed facility is 300' x 200'

Site preparation for production will be done with standard excavation equipment using native materials. Additional surfacing material will be obtained from commercial sources or an approved borrow area.

Production equipment will be painted standard oilfield colors. Gas and oil handling equipment will be light reflective to avoid overheating of production and to limit evaporation due to solar radiation.

Colors which cause increased temperatures from absorption of radiation will not be used due to increased danger of fire and explosion and willful waste of fossil fuels from excessive evaporation. Color requirements to the contrary by management agencies must include consideration of these factors.

Production facilities may vary according to actual reservoir discovered and will be engineered upon completion of well tests.

All pits will be fenced on all sides.

No facilities are to be constructed off location

Rehabilitation of unneeded, previously disturbed areas will consist of back-filing and contouring the reserve pit area back-sloping and contouring all cut and fill slopes. These areas will be reseeded. Refer to plans for restoration of surface for details.

Pits which contain oil will be overhead flagged.

5. LOCATION AND TYPE OF WATER SUPPLY

Water will be transported by truck from Rainbow Unit #1, SE $\frac{1}{4}$, Sec. 10 T11S, R24E per agreement with Diamond Shamrock. Appropriate permit will be obtained from State of Utah.

6. SOURCE OF CONSTRUCTION MATERIALS

Construction materials will consist of native material from borrow ditches and location area.

Surfacing materials will be obtained from available permitted sources, if needed, and consist of pit gravel.

Access roads to source of materials are not yet established.

7. WASTE DISPOSAL

Cuttings will be buried in reserve pit.

Drilling fluid: Will be buried in reserve pit when pit is dry.

Produced fluid: Will be contained in flare pit and/or will be burned in pit and buried when pit is dry. If sufficient fluids are produced during testing they will be contained in tanks.

Sewage: Sanitation holes will be dug approximately 24" in diameter by 20'-30' deep for each trailer and for rig "outhouses".

Garbage and other waste: Burnable garbage will be contained in trash pit and burned. Pit will be totally enclosed. Unburnable trash will be buried upon completion of operations.

Trash will be picked up if scattered and contained in trash pit as soon as practical after the rig is moved off. Trash pit will then be burned and fully enclosed until such time that it can be buried. Reserve pit will be fenced on all four sides and left until dry at which time it will be buried.

Upon the release of the drilling rig, the surface of the drilling pad will be prepared to accommodate a completion rig, if testing indicates potential productive zones. In either case, the "mouse hole" and "rat hole" will be covered to eliminate a potential hazard to livestock and wildlife. Debris and excess equipment will be removed prior to final restoration of the location.

8. ANCILLARY FACILITIES

No ancillary facilities will be necessary

9. WELLSITE LAYOUT

See drill site layout plats for cross-sections and drill pad layout with cuts and fills.

Reserve pit will be unlined.

10. SURFACE RESTORATION

Backfilling, leveling, and contouring will be commenced after well completion and reserve pit is dry.

Abandoned wells

The entire disturbed area will be restored by backfilling the reserve pit, re-contouring the reserve pit and location, spreading top-soil and seeding. Access roads will be contoured and seeded unless deemed usable for other activities by the surface management agency.

Producing wells

Platform and pit areas not needed will be backfilled, recontoured, top-soiled and seeded.

Top-Soil

Prior to construction, all top-soil will be removed from the entire site and stockpiled. Top-soil, for this site, is the 4-6 inches of soil material; or, approximately 1200 cubic yards of top-soil will be stockpiled. Stockpiles to remain more than one year will be seeded with an annual grain.

Seeding

The seed mix will be determined by the Bureau of Land Management. Seed will be planted after September 1 and prior to ground frost; or seed will be planted after the frost has left and before May 15. Fall seeding is considered the best time to plant. All seed must be drilled on the contour at a depth of $\frac{1}{4}$ to $\frac{1}{2}$ inch. Slopes too steep or rocky for machinery will be broadcast and the seed hand raked into the soil. When broadcasting the seed, the rate per acre will be doubled.

11. GENERAL INFORMATION

Topographic and geologic features - location is fairly level, setting on top of a sandstone ridge.

Soil characteristics - sand and clay.

Flora - sagebrush, cedar, pinion pine

Fauna - non observed, assume deer, antelope, elk, coyotes, rabbits, birds, domestic grazing.

Surface Ownership

Minerallessor - Bureau of Land Management

Drillsite surface owner - Bureau of Land Management

Access road surface owner - Bureau of Land Management

Concurrent surface uses - grazing and hunting

Proximity of water or occupied dwellings and other features - none in this vicinity.

Archeological, cultural or historical information - an archeological report will be filed under separate cover by Archeological Environmental Research Corporation.

12. CRESTONE ENERGY CORPORATION REPRESENTATIVES

David F. Banko, Petroleum Engineering Consultant. . . .(303)534-9074

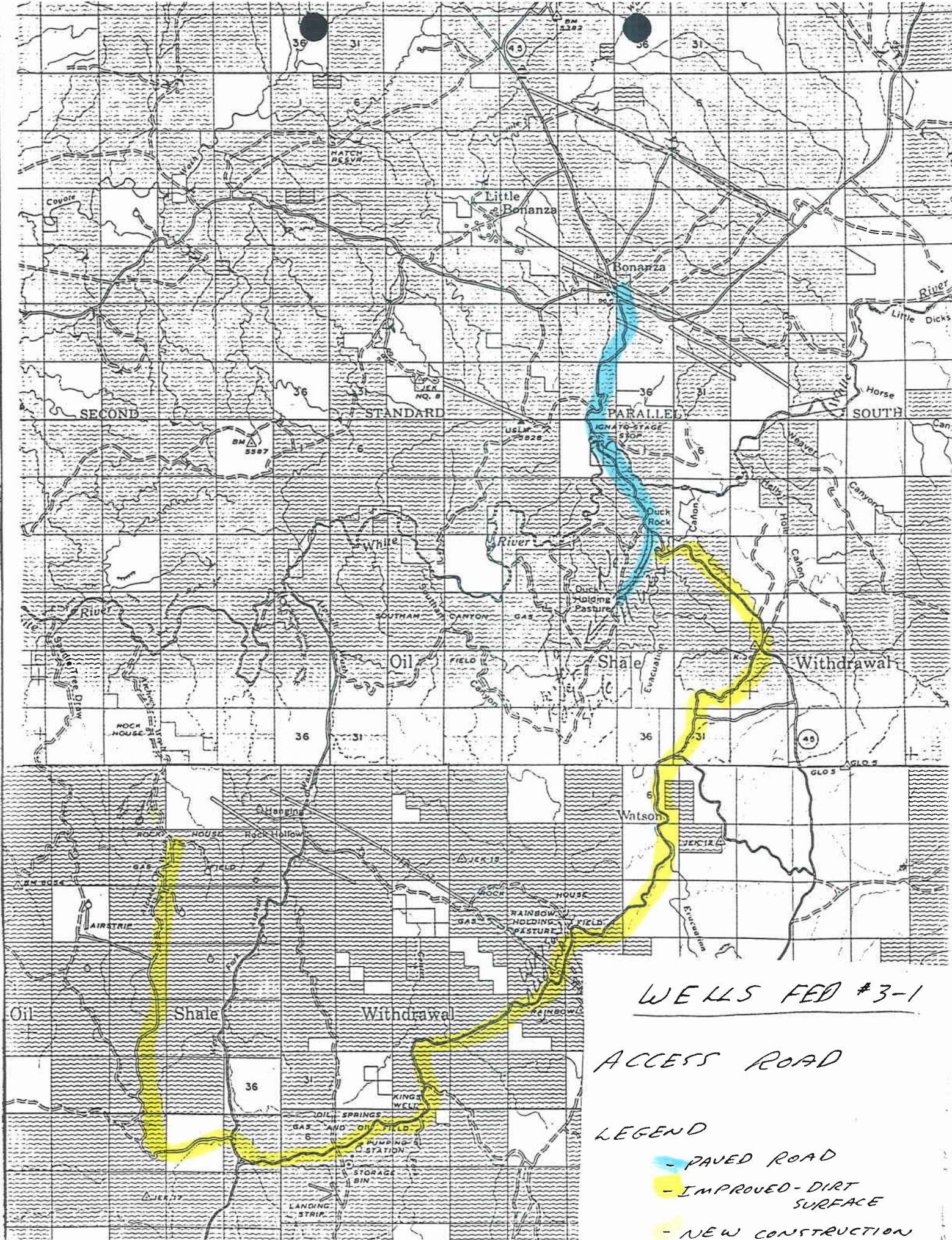
Randall C. Thompson, President.(303)534-9090

13. CERTIFICATION

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by CRESTONE ENERGY CORPORATION and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

Date

David F. Banko
Petroleum Engineering Consultant

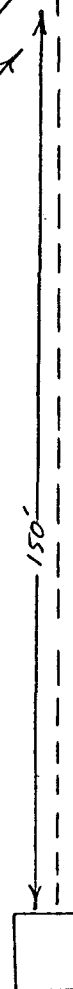
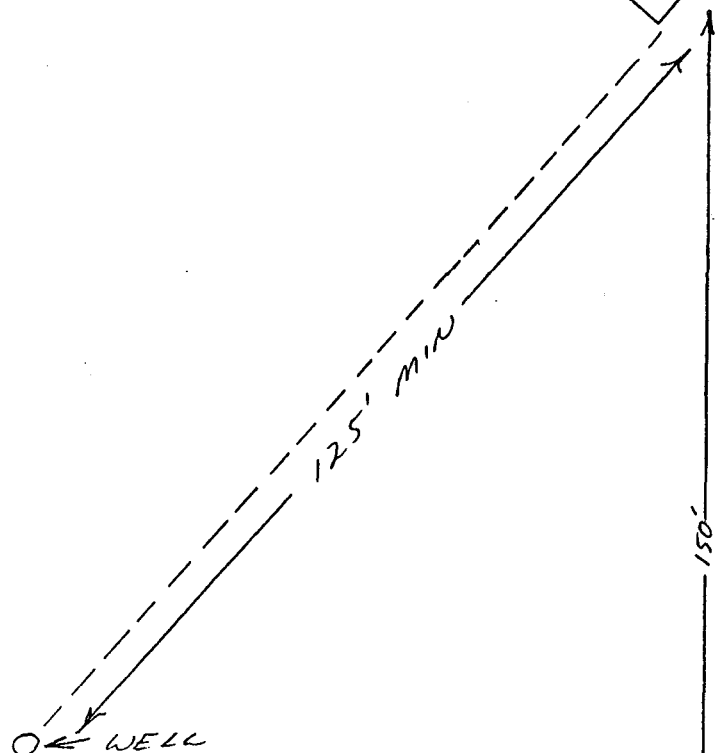
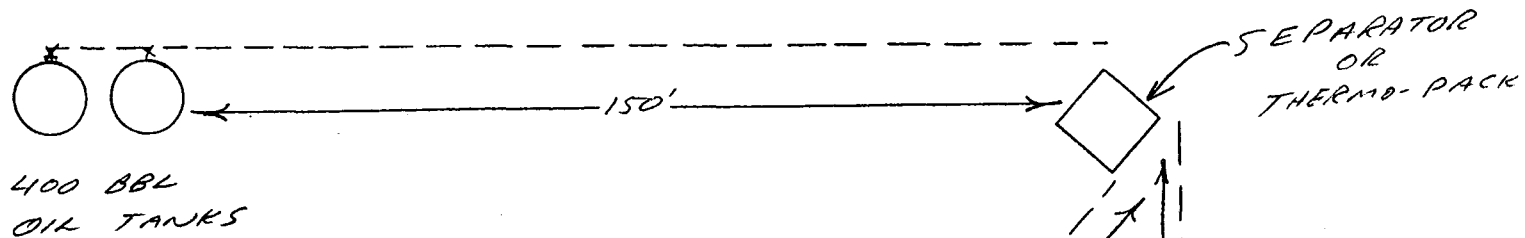


WELLS FED #3-1

ACCESS ROAD

LEGEND

- PAVED ROAD
- IMPROVED-DIRT SURFACE
- NEW CONSTRUCTION



FLARE PIT
WATER DISPOSAL

CRESTONE ENERGY CORP.

WELLS FED # 3-1 # 12-1

PRODUCTION HOOK-UP

CRESTONE ENERGY CORP.

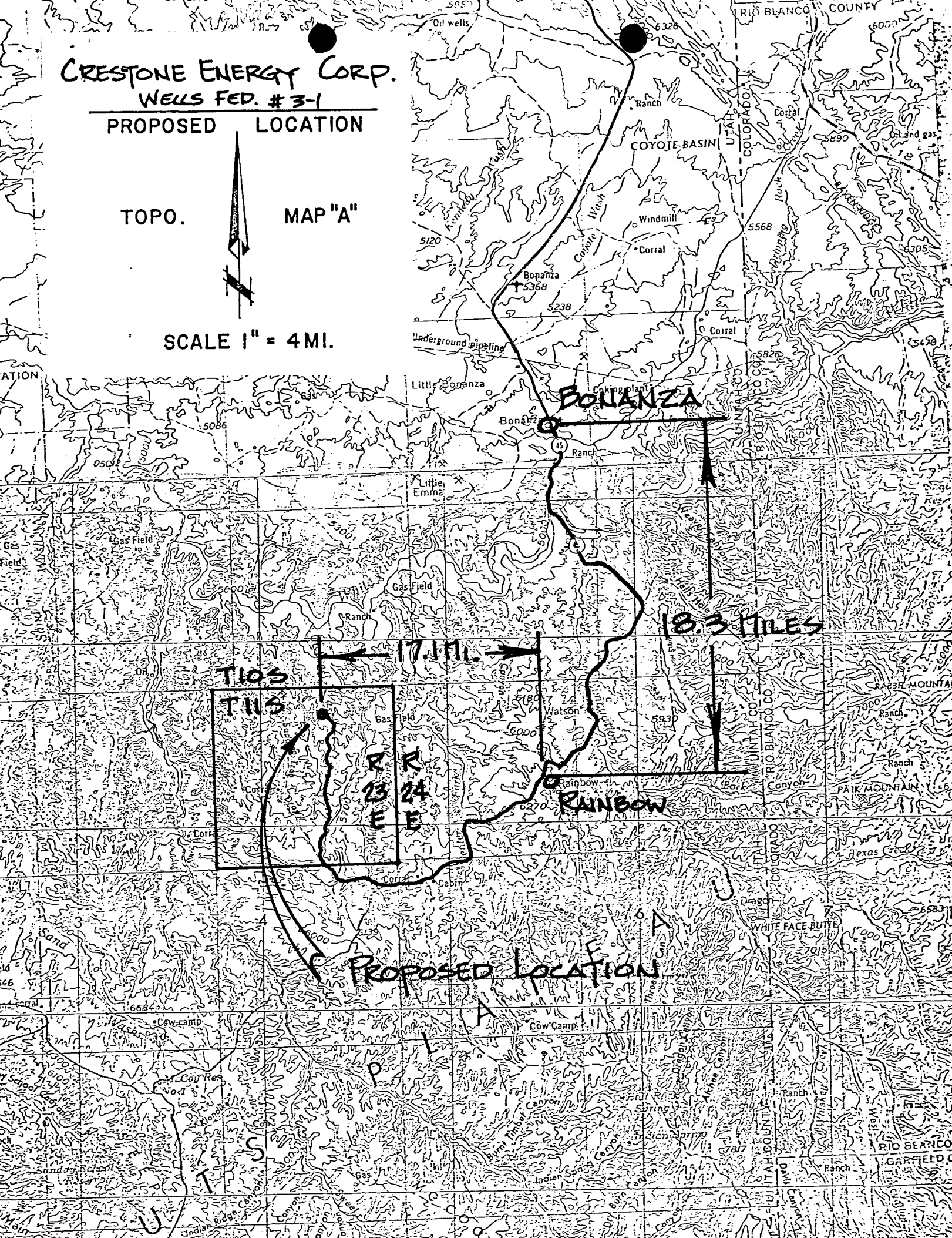
WELLS FED. # 3-1

PROPOSED LOCATION

TOPO.

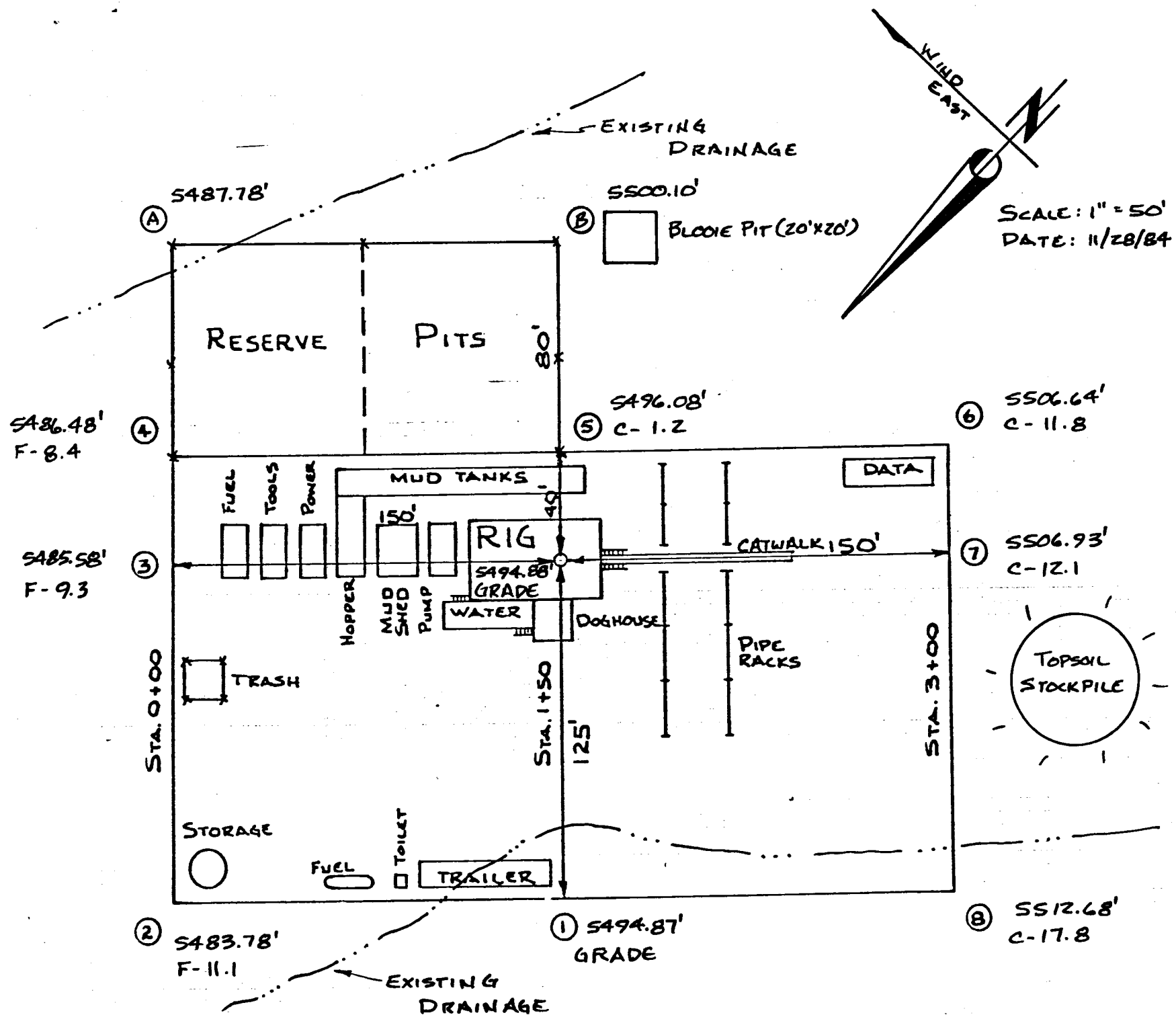
MAP "A"

SCALE 1" = 4 MI.



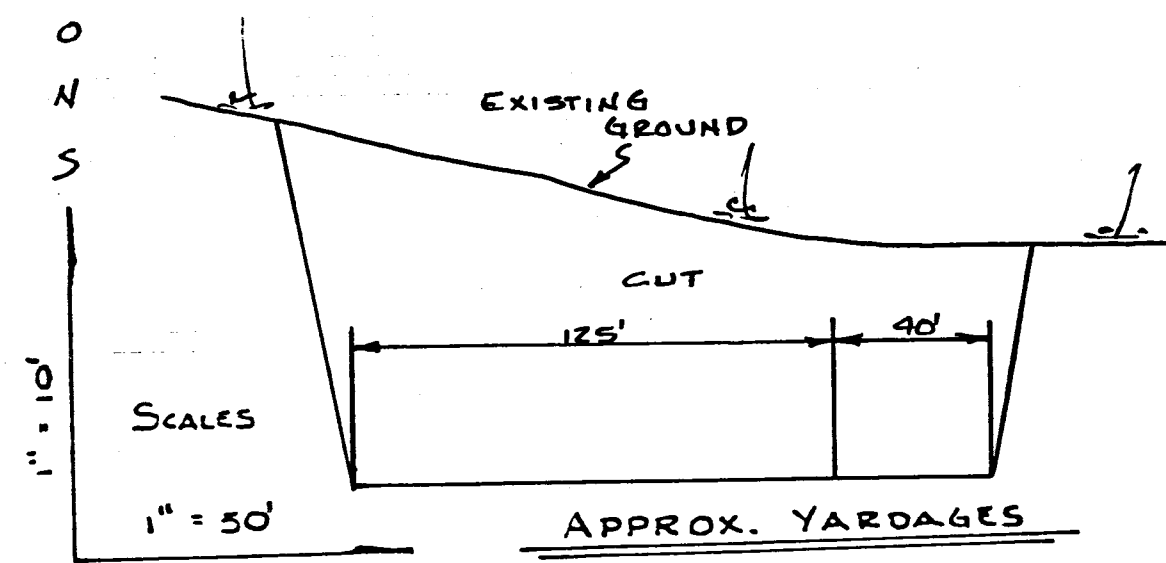
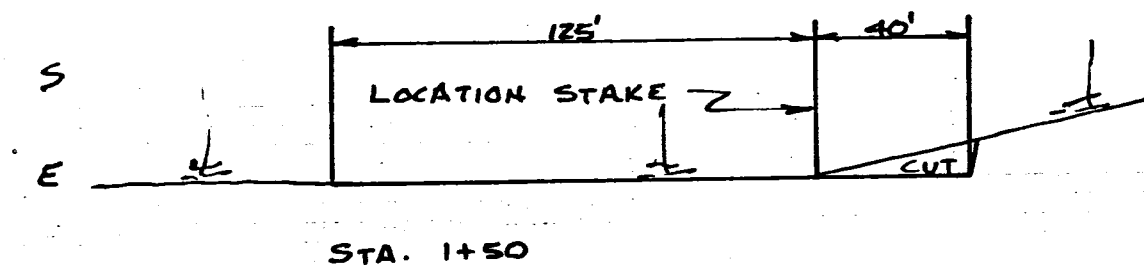
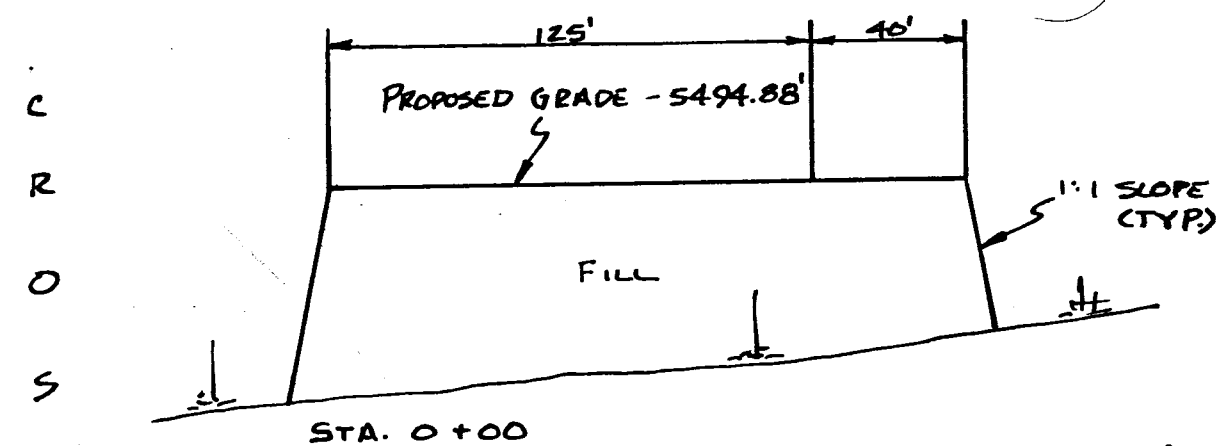
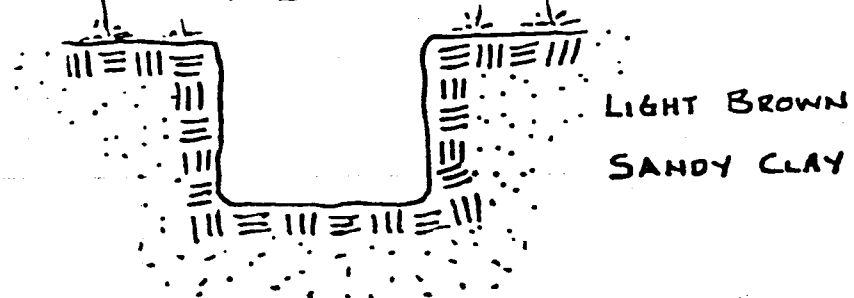
CRESTONE ENERGY CORP.

WELLS FED. #3-1



SOILS LITHOLOGY

- NO SCALE -



APPROX. YARDAGES

CUBIC YARDS CUT = 8095

CUBIC YARDS FILL = 5440

PROPOSED LOCATION
PROPOSED LEASE - 1,000' ±

17.1 MILES TO UTAH 207 (RAINBOW)
35.4 MILES TO BONANZA

CRESTONE ENERGY CORP.

WELLS FED. # 3-1

PROPOSED LOCATION

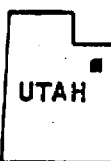
TOPO.

MAP "B"

SCALE 1" = 2000'

ROAD CLASSIFICATION

Light duty road, all weather, Improved surface
Unimproved road fair or dry weather



QUADRANGLE LOCATION

OPERATOR Crestone Energy Corp DATE 2-21-85
WELL NAME Wells Federal #3-1
SEC SWSE 3 T 115 R 23E COUNTY Wintake

43-047-31602
API NUMBER

Std.
TYPE OF LEASE

CHECK OFF:



PLAT



BOND



NEAREST WELL



LEASE



FIELD



POTASH OR
OIL SHALE

PROCESSING COMMENTS:

No other wells within 4960' (Not in Rock House Unit)
Need water permit

APPROVAL LETTER:

SPACING:



A-3

UNIT



C-3-a

CAUSE NO. & DATE



C-3-b



C-3-c

STIPULATIONS:

2- Exception location
1- Water



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

Norman H. Bangerter, Governor
Dee C. Hansen, Executive Director
Dianne R. Nielson, Ph.D., Division Director

355 W. North Temple • 3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

February 26, 1985

Crestone Energy Corporation
718 - 17th Street, Suite 520
Denver, Colorado 80202

Gentlemen:

Re: Well No. Wells Federal #3-1 - SW SE Sec. 3, T. 11S, R. 23E
1312' FSL, 2050' FEL - Uintah County, Utah

Approval to drill the above referenced gas well is hereby granted in accordance with Rule C-3(c), General Rules and Regulations and Rules of Practice and Procedure, subject to the following stipulations:

1. Prior to commencement of drilling, receipt by the Division of evidence providing assurance of an adequate and approved supply of water.
2. Submittal to the Division of information justifying the necessity for an exception location and verification of ownership within a radius of 500 feet of the proposed location.

In addition, the following actions are necessary to fully comply with this approval:

1. Spudding notification to the Division within 24 hours after drilling operations commence.
2. Submittal to the Division of completed Form OGC-8-X, Report of Water Encountered During Drilling.
3. Prompt notification to the Division should you determine that it is necessary to plug and abandon this well. Notify John R. Baza, Petroleum Engineer, (Office) (801) 538-5340, (Home) 298-7695 or R. J. Firth, Associate Director, (Home) 571-6068.

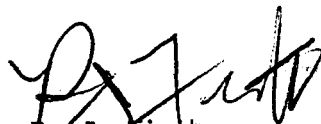
Page 2

Crestone Energy Corporation
Well No. Wells Federal #3-1
February 26, 1985

4. This approval shall expire one (1) year after date of issuance unless substantial and continuous operation is underway or an application for an extension is made prior to the approval expiration date.

The API number assigned to this well is 43-047-31602.

Sincerely,



R. J. Firth
Associate Director, Oil & Gas

as

Enclosures

cc: Branch of Fluid Minerals

To: John Baza
From: Ed Deputy

Alta Energy Corp.

Getty 7B

Sec. 7 - 95 - 17E

Duchesne Co.

API No. 43 - 013 - 30927

APD rescinded:

06-20-85

Alta Energy Corp.

Getty 7E

Sec. 7 - 95 - 17E

Duchesne Co.

API No. 43 - 013 - 30928

APD rescinded:

06-20-85

Beartooth Oil & Gas Co.

Federal 35-6

Sec. 35 - 15 S - 22 E

Uintah Co.

API No. 43 - 047 - 31495

APD returned to operator

Not approved

08-07-84

Crestone Energy Corp.

Wells Federal 3-1

Sec. 3 - 11 S - 23 E

Uintah Co.

API No. 43-047-31602

APD returned to Operator

Not approved

no date

Del-Rio Resources

Oil Canyon 11-1A

Sec. 11 - 14 S - 20 E

Uintah Co.

API No. 43 - 047 - 31420

Suspended Operations

APD not approved

trouble getting surface approval from
Tribe

APD will be approved sometime
in July, 1986

Ironwood Exploration Co.

Ute Tribal 25-1

Sec. 25 - 55 - 4W

Duchesne Co.

API No. 43-013-30943

APD not approved
Returned to operator

Lomax Exploration Co.

B.C. Ute Tribal 16-14

Sec. 14 - 55 - 4W

Duchesne Co.

API No. 43-013-31017

APD Expires April 16, 1986

Lomax Exploration Co.

W. Monument Federal 11-28

Sec. 28 - 85 - 16E

Duchesne Co.

API No. 43-013-31062

Extension granted

APD expires

March 26, 1987

Lomax Exploration Co.

Castle Peak Federal 3-23

Sec. 23 - 95 - 16E

Duchesne Co.

API No. 43-013-31063

Extension granted

APD expires

Dec. 11, 1986

4-15-86

Per Benna at Vernal BLM:

APD returned to operator,
no date given. Not approved.



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

Norman H. Bangerter, Governor
Dee C. Hansen, Executive Director
Dianne R. Nielson, Ph.D., Division Director

355 W. North Temple • 3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

April 16, 1986

Crestone Energy Corporation
718-17th Street, Suite 520
Denver, Colorado 80202

Gentlemen:

RE: Well No. Wells Federal 3-1, Sec.3, T.11S, R.23E,
Uintah County, Utah, API NO. 43-047-31602

In concert with action taken by the U.S. Bureau of Land Management, approval to drill the above referenced well is hereby rescinded. A new Application for Permit to Drill must be filed with this office for approval, prior to future drilling of the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division of Oil, Gas and Mining immediately.

Sincerely,

John R. Baza
John R. Baza
Petroleum Engineer

sb
cc: BLM-Vernal
D. R. Nielson
R. J. Firth
Well file
0278T-34

RECEIVED
NOV 17 1986DIVISION OF
OIL, GAS & MINING3162.35
U-820
U-54192

November 12, 1986

TXO Production Corp.
1800 Lincoln Center Building
Denver, CO 80264RE: Application for Permit to Drill
Well No. Wells Federal 1
Sec. 3, T11S, R23E
Lease No. U-54192

We are returning the referenced Application for Permit to Drill as per your request.

Your application is being returned without prejudice. If you desire to drill later at this location, please resubmit your application.

If you have any questions, please feel free to call.

Sincerely,

R. M. Hansen
Craig M. Hansen
ADM for Minerals

Enclosures

MH

cc: State Div. OG&M
well file*Is this the
same well?
PROBABLY
12-11-86*